



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON

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APR 29 2004

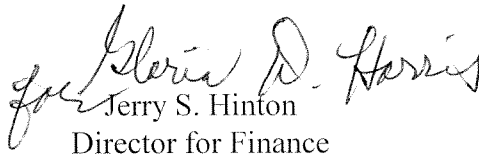
DFAS-DFM

MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE
FINANCE AND ACCOUNTING SERVICE (PM/CL)

SUBJECT: Interim Change to the DoDFMR, Volume 7A and 7B, Regarding Various Tax
Table Changes (DFAS Item M-47)

The attached, Interim Change 17-04 to Chapters 44 and 45 and Interim Change R06-04 to Chapter 25 of the Department of Defense Financial Management Regulation (DoDFMR), Volume 7A and 7B respectively, updates various tax tables and incorporates changes for 2003 and 2004.

This is a routine change and the result of directed action that does not affect existing policies. A draft of this change was not provided for comment. Assignment of the interim change number is your authority to initiate a procedural modification to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7A and 7B.


Jerry S. Hinton
Director for Finance

Attachment:
As stated

cc: OUSD(C)(ODCFO)(FP)
DASD(MPP)(Comp)
ODGC(F)
Service Liaisons
USCG/NOAA/PHS Liaisons
DFAS-DDM/CL
DFAS-GAM/DE
DFAS-PMA/CL
DFAS-PMJE/DE

TAX CHANGES TO VOLUME 7B

1. Revise paragraph 250301 flat rate percentage for one-time payments to read 25 percent.
2. Revise paragraph 250302.B.2 flat rate percentage to read 25 percent.
3. Revise references in paragraph 250102 from "paragraphs 520201 and 520202" to "section 5302".

TAX CHANGES TO VOLUME 7A

1. Revise Table 44-1, Rule 17, Column B, flat rate percentage to read “25 percent”.

2. At the end of Table 45-1 insert:

Year	Social Security (OASDI) Tax	+	Medicare Hospital Insurance (HI) Tax	=	Total FICA Tax Rate	Maximum FICA Wages	Maximum Tax
★2003	6.20					87,000	5,394.00
			1.45			unlimited	
★2004	6.20					87,900	5,449.80
			1.45			unlimited	